

ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

AUG 1 1994

In the Matter of

}

CC Docket No. 92-77

}

Billed Party Preference
for 0+ InterLATA Calls

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COMMENTS OF
VALUE-ADDED COMMUNICATIONS, INC.

Value-Added Communications, Inc. (hereinafter "VAC"), through its Senior Vice President and Counsel, hereby submits these comments in opposition to the Commission's proposal to adopt Billed Party Preference ("BPP") for 0+ interLATA operator services. Further Notice of Proposed Rule Making, FCC 94-117, Adopted May 19, 1994, Released June 6, 1994. VAC focuses its comments on the Commission's request for additional information with regard to the application of BPP to inmate phones.

VAC is a Dallas, Texas based corporation with annualized revenues approaching \$100 million. The company is engaged in the business of providing transaction-based communications services to several market segments. VAC's primary line of business has been the manufacture and provision of specialized, on-site, automated collect and prepaid call processing equipment designed for use in correctional facilities. Our customers include the New York State Department of Corrections, Minnesota State Department of Corrections, and numerous other county correctional facilities across the United States. VAC entered this business to answer a need that was not being met by network-based solutions for inmate calling and has since developed a

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product which effectively controls inmate calling, fraud, and uncollectibles, while providing reliable, reasonably priced telecommunications services to the inmates and their families.

In submitting these comments, VAC agrees that the current record is inadequate to conclude that inmate calling should be covered by BPP. As a provider of inmate calling services and equipment to over 300 state, county, and city facilities nationwide, VAC respectfully submits the following:

BACKGROUND

Inmate calling services are like no other 0+ calling services. Historically, inmate calling resulted in extensive harassment, inmate fraud, high rates of uncollectible calls, and a system which required extensive correctional staff intervention to manage. With the rising cost of prison management and the need to offer a more secure system to these facilities, several companies set about creating a specialized product to meet the needs of these facilities. It became clear that live operator call processing was not an acceptable alternative for correctional calling, resulting in the automated, on-site systems in use today. This change in technology allowed small, innovative companies such as VAC to enter the marketplace and successfully compete with the large interexchange carriers and RBOCs. Competition for product functionality and support has since grown significantly resulting in improved product quality, improved product support, and more importantly from the Commission's standpoint, improved rate awareness. Although the ultimate rate payer does not select the carrier, they do have a strong voice in the selection of the carrier and the rates applied by voicing their concerns to jail administrators and prison wardens. The result is that over 86% of the Bid Requests issued by County and State facilities specify dominant

carrier mirrored rates.¹ This competition also results in a better product which serves to protect the end user from the cost of uncollectible bills, fraudulent calls, harassing calls, and provides prison officials with the control required by this unique environment. All of these costs (including those caused by a lack of control) are ultimately born by the end user. As such, the effectiveness of an on-site correctional call processing product to curb this activity greatly benefits the public at large.

INTRODUCTION

VAC hereby submits that the extension of BPP to include Inmate Phone Services would result in the elimination of open competition in the inmate services arena, increased exposure to losses from uncollectibles and fraud, and the elimination of commissions which often fund inmate welfare programs. More importantly, this move to extend BPP seeks to create additional and burdensome regulatory oversight to an industry segment that is quickly becoming self-regulating through the demands of competition. Lastly, the cost of BPP, while underestimated, will be borne by all rate payers rather than by the cost causer - a notion which flies in the face of long-standing regulatory policy. The result of BPP will be to return the operator services marketplace into an oligopoly controlled by the largest players with the greatest name recognition and the deepest pockets - and the ultimate demise of the service options offered by regional and small business competitors and the jobs they represent.

¹ According to VAC's survey of Request for Proposals received over the past 18 months, 86% either required dominant carrier mirrored rates or ultimately awarded the contract to a vendor offering dominant carrier mirrored rates. Documentation of this survey is provided as Exhibit 1.

RATES

When the Telephone Operator Services Consumer Improvement Act (TOSCIA) was passed, there was little doubt that some operator service company rates were above those charged by dominant carriers. The FCC's subsequent action sought to overcome this concern by requiring OSPs to file informational tariffs and by reviewing rates as a whole to determine what rates could be deemed "reasonable." While not a rate cap, the resulting publicity and the effect of FCC staff threats to investigate rates of carriers that exceeded the arbitrary figure, was quite the same. Although these post-TOSCIA actions did not directly affect inmate phone service providers, public pressure for "reasonable" rates did. Correctional facility administrators learned that high rates generate unwanted complaints by inmate's families and began to require their vendors to provide collect calling services at or below dominant carrier rates. Evidence of this fact can be seen in the Requests for Proposals issued by Counties and States over the past 18 months, 86% (see Exhibit 1) of which have required dominant carrier rates. Testimony to the contrary submitted by CURE and other inmate organizations is anecdotal at best and should not serve as representation of the industry's rate practices as a whole. Further evidence to the contrary can be seen by the rates charged by VAC in its directly managed correctional customers, 100% of which are charging dominant carrier rates.²

It is also important to note a major flaw in the Commission's evaluation of inmate phone service rates as a whole. Specifically, inmates are generally housed in proximity to their homes, and a large portion of calls placed from correctional facilities (37.6% overall, and 89.9% in county facilities) are local and intraLATA calls - calls which are governed by State regulatory agencies and would not be covered by BPP.³ Moreover, 20 of the 48 states which allow competition for

² A summary of VAC's current customer rates is provided in Exhibit 2.

³ A review of VAC's inmate phone service customer base traffic for the month of June, 1994 indicates that 37.6% of the calls placed from correctional facilities are local and intraLATA. This is an average for all facilities combined. County facility traffic includes 89.9% intraLATA and local calls. Supporting detail for these figures is provided as Exhibit 3.

local and intraLATA services have created rate caps for inmate phone services. In the final analysis, the over-reaching of BPP to encompass inmate calling services would only serve to inhibit competition in order to resolve a problem which has already been resolved by market pressures, state regulatory action, and robust competition. The Commission's assertion that rates are a problem in this market is simply wrong and therefore the major justification for the proposed expansion of BPP is clearly absent.

FRAUD VS. UNCOLLECTIBLES

A major oversight in the numerous ex parte arguments presented by MCI in support of BPP (and its extension to inmate phone services) is the issue of fraud. MCI fails to establish the distinct difference between fraud and uncollectibles/bad debt. This section of the comments seeks to differentiate between the two separate and distinct issues.

Fraud

MCI asserts that "fraud" is better controlled through the network rather than at the premises.⁴ Fraud is never clearly defined, but based on this assertion, it can only be assumed that the fraud MCI is speaking of is network fraud. This type of fraud occurs when an individual attempts to place calls on a carrier's network through another consumer's equipment or uses these services in such a way as to cause another party to pay for the use. This is the only reasonable explanation why MCI views fraud from correctional facilities as a small portion of their overall fraud problem. Indeed, control of this type of fraud is best controlled by central office equipment designed to detect and deter such activity. The problem, however, is that fraud from correctional facilities

⁴ It is interesting to note that MCI itself has recognized the need for a premise-based system. This is evidenced by the fact that MCI is actively seeking to purchase such equipment. (Exhibit 4 is a copy of the cover letter accompanying MCI's Request for Information.) The detailed specifications contained in MCI's RFI speak volumes for the technological advantage of on-site call processing as the solution to inmate calling needs.

takes on a new face. Inmates have successfully used services such as three-way calling to contact catalog service centers to order goods and services and charge them on stolen credit cards - thereby establishing multi-million dollar businesses out of their jail cells.⁵ Fraud also occurs when inmates reach a live operator and dupe them into making a connection that ultimately results in a charge to the jail or to some other unsuspecting individual. This type of fraud, once commonplace in the correctional industry, has been controlled by the use of on-premise equipment. BPP would eliminate this on-site equipment and place the burden of such fraud-prevention on each and every operator service provider. What's more, the RBOC/LEC would also assume this responsibility for the intraLATA and local call portion of the traffic. More importantly, the facilities would lose real-time access to features that prevent fraud and eliminate harassing phone calls such as call blocking. In the BPP world, the addition of a blocked phone number would require the facility to contact each and every provider in the area in order to accomplish the task. In the mean time, citizens and victims are harassed. Worse yet, a critical investigative tool has been taken from correctional administrators. When fraud occurs now or escape attempts occur, facilities can (with VAC's equipment and many others) search call records on-site in real time. On more than one occasion this information has helped prison officials locate escapees. The idea of determining the carrier that processed a given call or calls (in the BPP world), much less bringing together this information from all of the operator services providers involved is completely unreasonable. An action that takes a matter of minutes with today's on-site technology will require hours if not days.

Uncollectibles/Bad Debt

MCI does not address the issue of uncollectible calls or bad debt whatsoever. This issue occurs when the recipient simply does not pay for collect calls. In the current single vendor scenario, this activity can be tracked and managed by the service provider. Under BPP there

⁵Exhibit 5 presents an article describing just such a case in Pennsylvania.

exists the very real possibility that inmates and the individuals they call will use the flexibility of changing carriers to move from one to another without paying anything. By playing this carrier-hopping game, many carriers would be left with uncollectible calls, the cost of which is borne by the public, and the end user is only caught when he/she runs out of carriers from which to choose. At this point, a new phone account can be established, completely severing ties with all previous nonpayment. The matter of collections in a multiple carrier scenario becomes completely untenable. It is essential to have one party (one vendor) with an on-going interactive relationship with the facility administrators, the calling party and the called party in order to control bad debt - this is simply not possible in the networked multi-carrier arrangement anticipated by Billed Party Preference.

FISCAL IMPLICATIONS

Given the fact that most facilities require their inmate phone service provider to charge dominant carrier rates, and still receive commissions on the calls completed by their inmates, little or no benefit from BPP is foreseeable. Cost estimates for BPP have been developed and reduced by the perceived savings to be gained. The falsehood associated with this calculation is that all rate payers will pay for LEC/RBOC upgrades and additional staff required to launch and maintain BPP and its supporting organizations. Again, all rate payers will pay for BPP, despite the fact that only a minority percentage of consumers ever use operator services. The notion that the cost of BPP is a one time cost is patently false. The cost of BPP maintenance is on-going and, in the case of inmate calling, rates have already been adjusted and are unlikely to be reduced further. The result is a huge expenditure, loss of services, with no perceptible benefit in sight.

Secondly, the facilities impacted by BPP are run with State and County funds. As is well known, all budgets are tight and there is little room for services such as education and rehabilitative services that would ultimately help to reduce the rate of recidivism among U.S.

inmates. Under the present scenario, these facilities receive commissions from inmate phone service providers which (for the most part) go directly to an "inmate welfare fund." These commissions pay for much needed services to educate, train, and rehabilitate convicts with the hope that some won't return. Commissions, which would disappear under billed party preference, also provide health care services to inmates. In the absence of such commissions, the burden would return to the State or County and, ultimately, the taxpayer.

COMPETITION

By eliminating the facility's choice for an inmate phone service provider, BPP essentially hands the significant amount of traffic back to the largest carriers with the most nationwide name recognition. MCI's ex parte campaign to include inmate calling within the ambit of BPP represents an attempt to gain market share that it has been unable to obtain through the rigors of competitive public bidding. As competition for local and intraLATA services continues to grow, BPP takes a giant leap backward by excluding local and intraLATA traffic from the equation. In a BPP world, the LECs/RBOCs would retain the local and intraLATA traffic, and the interLATA traffic would be routed to the paying party's carrier of choice. Today, many regional carriers have established a market of customers by offering 1+ services only. If BPP is part of the future, these carriers will lose some of their ability to compete as end users migrate toward the largest carriers who can offer both 1+ and 0+ services. With the demise of competition from regional carriers, the "Big 3" and the RBOCs cease to feel the need for product innovation. RBOCs and LECs will be the only ones with financial incentive to place phones in correctional facilities. Regional operator service providers and inmate phone service providers will essentially have no market in which to compete, a result contrary to the public interest. ⁶

⁶ Loss of competition will remove any incentive for providers and manufacturers to develop pricing and service options or product innovations. One example of innovative product development is the commissary calling option offered by VAC which offers lower than dominant carrier rates for inmate calls paid through their in-facility commissary accounts.

IMPLEMENTATION

In addition to the reasons listed above, BPP presents significant technical hurdles and accountability issues. With the RBOCs/LECs in ultimate control of BPP management, yet another bottleneck will be created. Issues such as false connections to the incorrect carrier, verification of charges for originating access, and others will be in the hands of the local providers. Small and/or regional providers will be hit with yet another costly equipment upgrade and will have little or no incentive to bear this cost given the inevitable loss of revenues.

BPP further complicates matters and raises costs by forcing inmate calling services to be handled by operator service providers on a central-office basis. Because most inmate calling is collect only, and a significant number of destinations are blocked, there will be a great deal of traffic originating from each facility to the OSP's central office that never results in a billable call. In today's world, with on-site processing, most of these calls are stopped on site, eliminating the cost of originating access for blocked calls. Under BPP, this additional originating access charge will add significant cost to the carriers, ultimately resulting in increased rates to end users. Again, BPP removes any carrier's financial incentive to provide on-site equipment because the amount of traffic they can expect to carry is always an unknown.


SUMMARY

Based on the foregoing, VAC submits that Billed Party Preference, if adopted, should not be extended to inmate phone services. This over-reaching seeks to resolve a perceived problem, which has, in fact, resolved itself through competition. Moreover, the LEC/RBOC monopoly for intraLATA and local services in the correctional industry is effectively recreated in one devastating move. A move which comes on the heels of efforts by the FCC to do just the

opposite. By virtually eliminating the marketplace for a vital group of competitors, end users, correctional facilities, and ultimately, taxpayers pay the price.

Respectfully submitted,

VALUE-ADDED COMMUNICATIONS, INC.

By: 
John C. Fudesco
Senior Vice President & Counsel
July 29, 1994

17250 Dallas Parkway
Dallas Texas 75428

214/447-6700
214.447-6777 (Fax)

Value-Added Communications, Inc.

EXHIBIT 1

Rate Requirements of Inmate Phone Services RFPs

Issuing Facility	Rate Provision
1 Richmond, VA	Dominant Carrier Rates
2 Washington Co, OR	Dominant Carrier Rates
3 Tulsa Co, OK	Dominant Carrier Rates
4 Ramsey Co, MN	Dominant Carrier Rates
5 Pinellas Co, FL	Dominant Carrier Rates
6 Pennsylvania DOC	Dominant Carrier Rates
7 Oakland Co, MI	Dominant Carrier Rates
8 Norfolk Co, VA	Dominant Carrier Rates
9 Nassau Co, NY	Dominant Carrier Rates
10 Moose Lake, MN (State)	Dominant Carrier Rates
11 Mobile Co, AL	Dominant Carrier Rates
12 Mississippi DOC	Dominant Carrier Rates
13 Massachusetts DOC	Dominant Carrier Rates
14 Maricopa Co, AZ	Dominant Carrier Rates
15 Louisiana DOC	Dominant Carrier Rates
16 Kansas Juvenile Ctrs.	Dominant Carrier Rates
17 Illinois DOC	Dominant Carrier Rates
18 Georgia DOC	Dominant Carrier Rates
19 Etowah Co, AL	Dominant Carrier Rates
20 Cumberland Co, NJ	Dominant Carrier Rates
21 Chesapeake, VA	Dominant Carrier Rates
22 Clark Co, NV	Dominant Carrier Rates
23 Barnstable Co, MA	Dominant Carrier Rates
24 Albemarle Co, VA	Dominant Carrier Rates
25 Virginia Beach, VA	Dominant Carrier Rates
26 Tarrant Co, TX	Dominant Carrier Rates
27 Schenectady Co, NY	Dominant Carrier Rates
28 Colorado DOC	Dominant Carrier Rates
29 New Jersey DOC	Dominant Carrier Rates
30 Wisconsin DOC	Emphasis on low inmate rates - below dominant carrier
31 Florence Co, SC	Not stated, State rate cap in place
32 Greenville Co, SC	Not stated, State rate cap in place
33 York Co, SC	Not stated, State rate cap in place
34 Mahoning Co, OH	Not stated, State rate cap in place
35 Jefferson Co, KY	Not stated, State rate cap in place
36 Webb Co, TX	Required "reasonable" rates and uses rates as an evaluation factor
37 Luna Co, NM	Required "reasonable" rates and uses rates as an evaluation factor
38 Travis Co, TX	Required "reasonable" rates and uses rates as an evaluation factor
39 Oklahoma DOC	Required "reasonable" rates and uses rates as an evaluation factor
40 Allegheny Co, PA	Required "reasonable" rates and uses rates as an evaluation factor
41 Cameron Co, TX *	Required "reasonable" rates and uses rates as an evaluation factor
42 Clinton Co, MI	Required "reasonable" rates and uses rates as an evaluation factor
43 Champaign Co, IL *	Required "reasonable" rates and uses rates as an evaluation factor
44 Ector Co, TX *	Required "reasonable" rates and uses rates as an evaluation factor

Summary

79% Dominant Carrier or State rate cap in place or low rate requirement

* 7% Required "reasonable" rates and awarded to a bidder offering dominant carrier rates
86%

14% Required "reasonable" rates and used rates as an evaluation factor

Request for Proposals
Inmate Telephone System

The County of Schenectady will receive proposals for the provision of an Inmate Telephone System located at the Schenectady County Jail, 320 Veeder Avenue, Schenectady, N.Y

Proposals will be accepted on a professional services basis and will be evaluated on the criteria of price, service, experience, cost to the user, reimbursement rate to the County, system reporting capability and any other criteria of interest to the County.

Specific County needs which should be addressed are:

1. One inmate phone per housing unit (approximately 65) installed and owned by the Vendor.

Read and understood. In addition, VAC will work closely with the County to facilitate the installation of additional phones as needed.

2. 2 pay phones per visitor lobby.

Read and understood.

3. Twenty four hour same day service to units.

Read and understood. VAC's Service Policies are detailed in Section 4 of this response.

4. Off/on switching capability per unit.

Read and understood. VAC's equipment will allow for hardware controlled (on/off switches) phone activation as well as software controlled activation.

5. Timing capability for units to limit times of operation.

Read and understood. VAC's System 20 enables facility personnel to control the times of operation for all phones.

6. Number block capability.

Read and understood. VAC's equipment has several levels of blocking: 1) blocking by dialing pattern i.e. 900, 976, 800, 10XXX. 1+, 10XXX, etc. 2) global dialed number blocking, which blocks all inmates from dialing a specified number (quantity unlimited), and 3) pre-approved inmate calling lists (optional) - this feature only allows inmates to call those numbers that appear on their pre-approved calling list.

7. Call reporting capability at Vendor expense able to provide call detail reports.

Read and understood. VAC provides numerous flexible reports that are available from the System 20 control computer. Reports are available on-site on a real time basis sorted by inmate, called party, call duration, etc. In addition, VAC provides the facility with call reports (samples provided in Section 7 of this response.)

8. Call blocking of 900 numbers or 800 as requested.

Read and understood.

9. Blocking capability to prevent call forwarding or conference calling.

Read and understood. VAC installs detection equipment on each line that effectively controls call forwarding, conference calling, and three-way calling attempts.

10. Non toll calling of specified numbers (i.e. Public Defender or Probation).

Read and understood. VAC will enable toll-free calling to specified numbers upon request.

11. Monthly toll and usage analysis report provided by Vendor.

Read and understood. Sample reports are provided in Section 7 of this response.

12. Rates no higher than those set by Public Service Commission for the telephone utility on a continuing basis.

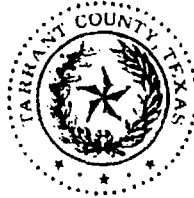
Read and understood. VAC is a certificated operator service provider in New York and will charge rates approved by the New York Public Service Commission at all times.

NOTE NY PSC Rate Cap in place

13. No minimum gross of calls of unit gross.

Read and understood. VAC offers to pay Schenectady County a commission of 40.1% of gross call revenue. No deductions will be made for unbillable, uncollectable, or fraudulent calls. In addition NO deductions will be made for long distance costs, line costs, or equipment costs.

If the County opts to utilize VAC's pre-paid debit option, the commission rate will be increased to 50.1% for all debit calls. In addition, VAC will work with the County to make the most of commission dollars through the purchase of needed equipment or services, such as video imaging equipment, jail management system, or health services.



TARRANT COUNTY
PURCHASING DEPARTMENT

SHARAN B. GUNN, C.P.M.
PURCHASING AGENT

ROY EDWARDS, C.P.M.
ASSISTANT

ADDENDUM #1

RFP 93-139

RFP FOR COINLESS PAY PHONES AT GREENBAY FACILITY

BIDS DUE JULY 26 1993, AT 2:00 P.M.

Please note the following change(s):

- 1) Page 4 Item 2-G has been changed to 2-E. Discard Page 4 of the original proposal packet and replace with the attached ~~_____~~

This addendum must be signed and returned with your bid.

NAME AND ADDRESS OF COMPANY:

AUTHORIZED REPRESENTATIVE:

Signature _____

Print Name _____

Title _____

Tel. No. _____

Fax No. _____

4. **SYSTEM FEATURES AND SERVICES REQUIRED**

Vendor shall indicate how proposed system will accomplish the following required features/services:

- A. Charges to Recipients - These charges will be identical to the PUC approved direct dialed or operator assisted and the FCC regulated AT&T rates for INTRA-LATA calls with rates etc. applicable evening, night/weekend discount rates applied. (There will be no surcharges other than allowed by PUC tariff.)

Read and Understood.

- B. Line powered equipment for inmate phones is preferred.

Read and Understood. VAC utilizes line powered inmate phones.

- C. Call blocking/screening capability is required to insure that inmate calls cannot be completed to selected telephone numbers including 800 and 900 area codes. Coinless phone calls must be collect only, no third-party number or credit card calls. Phone numbers must not be published and must be restricted to receive no incoming calls.

Read and Understood. Blockage of access to an unlimited quantity of specified numbers is a standard feature of the System 20. This feature enables administrators to globally block access to 411, 911, 976, 950, 800, 900, international, 10XXX, etc. For example, the State of New York Department of Corrections (a current VAC customer) currently has over 10,000 numbers on the globally blocked listing of their System 20. This feature can be controlled on a real-time basis, either on-site by authorized facility personnel or remotely by VAC personnel.

If Tarrant County chose to use Prisoner ID Numbers (PINs), each inmate's calling may be restricted to a limited list of pre-approved phone numbers. Each inmates list may be programmed to contain up to 20 numbers.

VAC's System 20 enables inmates to place collect, person to person collect, or optional prepaid debit local, and long distance automated operator assisted calls (This optional feature is more fully described in Section 4.I.) All inmate phone lines are non-published numbers and are ordered outgoing only. In addition, the phones themselves have no ringing capability.

- D. Equipment should be current production models of proven reliability, compliant with the most current Federal Communication Commission Rules, and shall conform to the manufacturer's published specifications. Equipment must comply with all current FCC & Texas PUC rules and standards. Equipment and services

REQUEST FOR PROPOSAL

City of Virginia Beach

DATE

10/22/92

PURCHASING AGENT
ROOM 321 CITY HALL BUILDING
VIRGINIA BEACH, VIRGINIA 23456-9002

8159 Bid No. 1448
Opus Telecom, Inc.
Attn: Phil Apanovitch
119 Herbert Street
Framingham, MA 01701

RFP ITEM	
NO.	1448
CLOSING DATE	
12/03/92	
TIME	
03:00p	
NAME REFERENCE	
J. McConnell	

ATTENTION OF OFFERORS IS INVITED
TO SECT. 15.1-73 CODE OF VIRGINIA
[CONFLICT OF INTEREST]
()

DESCRIPTION OF REQUEST FOR PROPOSAL

THIS DOCUMENT CONSTITUTES A REQUEST FOR SEALED PROPOSALS FROM QUALIFIED INDIVIDUALS AND/OR ORGANIZATIONS FOR THE RIGHT TO FURNISH, INSTALL, AND MAINTAIN AN INMATE (NON-CASH/COLLECT CALL) TELEPHONE SYSTEM FOR THE CITY OF VIRGINIA BEACH CORRECTIONAL CENTERS AND ITS ANNEXES.

CC: COL. J. P. VITALE, SHERIFF'S OFFICE
CAPT. W. T. MANN, SHERIFF'S OFFICE
LT. D. E. YOUNG, SHERIFF'S OFFICE
MARY KAMMER, SHERIFF'S OFFICE
DEBBIE CLAXTON, DIT/TELECOMMUNICATIONS

THE FOLLOWING SECTION MUST BE EXECUTED AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF YOUR
DC ANY.

PERSON QUOTING: Linda M Eakes Linda M. EAKES DATE: 12/2/92
TITLE: DIRECTOR Client SERVICES - VAC

- s. Telephone Rates:
Called party shall be quoted the telephone rates, prior to making decision on whether to accept or reject the call.
- t. Bilingual Automated Operator:
Availability of a bilingual automated operator which allows user to choose English or Spanish.
- u. Identified to Called Party:
The Caller and the Virginia Beach Correctional Centers shall be identified to the called party.
3. Fees and Charges:
Intra-lata charges shall not exceed that of the local telco. Inter-lata charges shall not exceed the AT&T rate for call rates originating from the City complex. The City and/or the Sheriff's Office shall not be responsible for any non-collectable revenue. Offeror shall state any surcharges if applicable in detail. The City and/or the Sheriff's Office shall not be responsible for any charges incurred to Offeror due to toll fraud. The inmates shall be able to make collect calls only, with the exception of toll free call(s) allowed in the case of inmates calling their attorneys and bondsmen.
4. Commissions:
For the right of providing an inmate telephone system, Offeror shall pay the Sheriff's Office, as a commission, a percentage of billable gross revenues, less taxes, for each telephone.
5. Initial Quantities:
The initial quantities and location of the telephones to be covered under this agreement shall be as mutually agreed to by the Sheriff's Office and Offeror. It is estimated that approximately 100 telephones will be required to service all the facilities.
6. Addition/Deletion of Telephones:
Offeror shall add and delete telephones at various locations as directed by the Virginia Beach Sheriff's Office.
7. Repair:
Offeror shall be responsible for the installation and maintenance of all mounting blocks, protectors, cable, conduit, jacks, protection devices, and any other items necessary to install telephone system from where the "raw" cable enters the buildings. Offeror shall repair a malfunctioning telephone within 24 hours of notification.
8. Monitoring/Reporting:
Offeror shall monitor the telephone system and provide the Sheriff's Office with a written account of all revenue generated per station. An appropriate accounting system shall



RICHMOND PURCHASING SERVICES
CITY OF RICHMOND
900 EAST BROAD STREET, 11th FLOOR
RICHMOND, VIRGINIA 23219-6131

Request for Proposal Number: 4F156
Title: Inmate Phone System
Date: March 17, 1994
Receipt Date: April 19, 1994
Receipt Location: 900 E. Broad Street, 11th Floor

SCOPE OF SERVICES

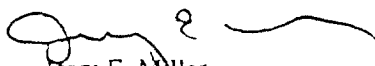
The City of Richmond desires to receive proposals from qualified individuals and organizations to furnish, install, and maintain an inmate (non-cash/collect call) telephone system for the City of Richmond Jail.

SEALED PROPOSALS, subject to the Terms & Conditions stated herein, WILL BE RECEIVED on the 11th Floor of the City Hall Building, 900 E. Broad Street, Richmond, VA, UNTIL BUT NO LATER THAN, 3:30 p.m., Tuesday, April 19, 1994 and will be closed at 3:30 p.m. on April 19, 1994.

In compliance with the above Request for Proposals, and subject to all terms and conditions thereof, the undersigned offers and agrees to enter into a contractual agreement if his/her Proposal is accepted within 180 days after the date of receipt and closing and/or any extension agreed to in writing.

Please Note: The City reserves the right to negotiate any Terms and/or Conditions of this RFP as its deems in its best interest.

RICHMOND PURCHASING SERVICES,


Jerry E. Miller
A/Chief
804/780-5798

Attachments

RESPECTFULLY SUBMITTED

Company _____

Name (Please Print) _____

By (Signature) _____

Title _____ Date _____

Federal I.D. _____

Fees and Charges

1. The attached fee/rate chart must be submitted with your proposal. See Exhibit B.
2. The proposer shall identify any and all surcharges or processing fees imposed by the vendor and/or any of their sub-vendors.
3. The Long Distance Inter Lata Commission Rate is to be a minimum of 30 percent
4. The Local Call Intra Lata Commission Rate is to be a minimum of 15 percent
5. The commissions are to be based on Total Billed revenue, as opposed to Collected revenue. Payments are to be made to the City within 45 days of billing.
6. Rates to inmates shall not exceed the dominant carrier for the Richmond, Virginia Metropolitan area, as mandated by the SCC. Calls cannot cost a dollar more than the rates charged by American Telephone & Telegraph Company.

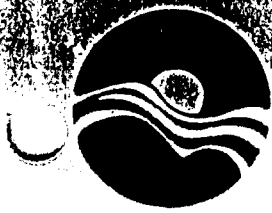
Regulations

1. All business associated with this contract will be consistent with all SCC and FCC rulings.

Other Provisions

1. Addition/Deletion of Telephones--The City Sheriff's Office and vendor will mutually agree upon adding or deleting phones.
2. Repair--Successful offeror shall repair a malfunctioning phone within 24 hours of notification.
3. Monitoring/Reporting--Offeror shall monitor the telephone system and provide the City Jail with a written account of all revenue generated per station. An appropriate accounting system shall be established that meets with the City Jail's approval.
4. Charges--The successful proposer shall be responsible for all charges associated with the performance of this contract. Examples of charges:

Cost of purchasing and installing the telephone system, including site preparation.



WASHINGTON
COUNTY,
OREGON

December 28, 1993

ADDENDUM #2 #93095P

PROPOSAL TITLE: INMATE PAY TELEPHONE SYSTEM

PROPOSAL DUE DATE: 4:00 P.M., FRIDAY, JANUARY 7, 1994

This addendum is to make the following additions and/or changes to the subject Request for Proposal documents.

The following questions have been submitted by a proposer for clarification or additional information. Each question is followed by the relevant response.

1. Section 3.0. Page 4 - With regard to Commissions, it has become common in inmate phone bids for counties to indicate that signing bonuses are unacceptable as a form of commissions. Is this the position of Washington County? If not, how will the signing bonus be weighed as compared to the commission percentage?

Response: Signing bonuses are unacceptable as a form of commissions.

2. Section 4.2, Page 5 - This section indicates that Commission rates are effected for the first year of the agreement. How will commissions be determined for the balance of the contract?

Response: Commission rates proposed and accepted shall be valid for the first year of the Agreement. Any subsequent commission rate changes must be requested, in writing, with justification, and be accepted by the County prior to implementation.

3. Section 4.3, Page 5 - This section would indicate that either party can cancel the contract at will upon 60 days notice. Because of the sizeable investment in equipment represented by this contract, proposer would like to request that this clause be modified to be cancellation for cause only.

Response: This is standard County contract language. A proposer may take exception in the proposal response to any contract terms and propose an alternative for the County to consider.

4. Section 2.3, Page 9 and Section 7.2 (Page 13) - Reference is made to GTE rates as the maximum. Proposer understands this to mean that local and intraLATA calls should mirror GTE rates (including time of day discounts). Proposer would like for the County to clarify that InterLATA and Interstate calls should be charged AT&T mirrored rates (including time of day discounts).

Response: InterLATA and Interstate calls should be charged AT&T mirrored rates including time of day discounts.

SPECIFICATIONS FOR INMATE TELEPHONE SERVICE

Project Scope and Requirements - Coinless Collect Phones

1. Commission Structures/Revenues.

Tulsa County requires monthly payments. Payment is due 30 days after the last day of the month. Failure to make payment within 60 days gives the County the right to cancel the contract.

Proposer understands and will comply.

Please provide information on the commission structure. Include the following within your response:

A. What is the percentage of commission you will pay Tulsa County?

1. Are you willing to pay a lump-sum advance commission? Additional commission payments will be due when and if the advance amount has been exceeded and will be payable on the first of each month following the actual date on which the advance amount is exceeded. In the event the commission advance amount is never exceeded, please state what your policy would be. The gross revenue for Tulsa County in 1993 was \$610,506.11 and Tulsa County received \$177,046.84 commission.

VAC offers to pay a commission of 22% on the total gross revenue generated by inmate phone calls from Tulsa County correctional facilities. Payments shall be made thirty days following the end of each month.

2. All revenue must not exceed the allowable Oklahoma tariff of Southwestern Bell; and AT&T day, evening and night rates for long distance calls. No surcharges can be added to these rates.

READ AND UNDERSTOOD. VAC rates conform to this requirement.

3. Failure to state proposed commission percentage will result in rejection of proposal.

READ AND UNDERSTOOD. VAC's commission percentage is 22%. This

B. The method used to calculate revenue to the County (e.g., gross revenue, adjusted gross revenue, net revenue). Explain in detail.

VAC pays commissions on true gross revenues with no deductions for uncollectible calls, unbillable calls, access line charges or any other expense associated with providing service to Tulsa County.

1. State applicable deductions from Gross Revenue before calculating the County's revenue (i.e., uncollectible calls, total calls, access lines charges, clearing house

X COUNTY OF RAMSEY
CITY OF SAINT PAUL

SAINT PAUL - RAMSEY COUNTY
JOINT PURCHASING DIVISION
515 CITY HALL - COURTHOUSE
SAINT PAUL, MINNESOTA 55102
612-296-4225

REQUEST FOR BID

X
REQUEST FOR PROPOSAL

BRUCE THOMPSON

BUYER'S PHONE NO.
(612) 256-8909

REQUISITION NO.
8843

PAGE 1 OF 12
PAGES

NO. > A6843-8

THIS IS A REQUEST FOR PRICE, NOT AN ORDER. PLEASE RESPOND TO EACH ITEM SEPARATELY. THIS FORM MUST BE COMPLETED IN INK OR TYPEWRITTEN. SEE OTHER SIDE FOR ADDITIONAL TERMS AND CONDITIONS.

RESPONSES RECEIVED AFTER THIS TIME WILL NOT BE CONSIDERED
2:00 PM

FOB DESTINATION/ZIP CODE
ST PAUL MN 55119

OPENING DATE AND TIME: > WEDNESDAY, APRIL 28, 1993

IMPORTANT

This response is your offer to perform or supply the subject matter under "Description" below. If this offer is judged to be the lowest responsible bid or the most responsive proposal meeting specifications, applicable performance bond, and certificate of insurance as stated in the specifications or terms and conditions must be in our hands before an order will be issued to enable you to commence. This response, our order, and the plans and specifications will constitute the contract between us.

You are invited to attend the bid or proposal opening. Bid tabulation will be available 48 hours after opening. If you wish bid results mailed, please include a postage stamped, self-addressed envelope with bid. Telephone inquiries for bid results will not be honored. Request for proposals will be opened and proposer's names identified only. Request for proposal documents will be available for inspection by appointment.

DESCRIPTION

Minnesota Statutes 1990, Section 297A.25 as amended during the 1992 legislative session require local governments to pay sales tax on most purchases up to a maximum of 6.5%. However, do not include the state sales tax in your bid price. Vendors shall add the 6.5% Sales Tax on the billing invoice as a separate entry." This tax is in effect for all applicable goods and services delivered after June 1, 1992.

PROJECT INFORMATION

A. PROJECT DESCRIPTION.

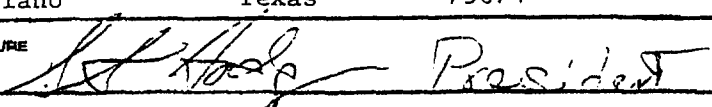
The City of Saint Paul and Ramsey County Joint Purchasing Office will accept written responses only to this Request For Proposal to furnish a COINLESS, COLLECT CALL ONLY TELEPHONE SYSTEM AND SERVICE, for the Ramsey County Correctional Facility (RCCF). The County estimates a need for 30 outgoing lines.

2. It is the intent of this RFP to establish a term contract with a vendor to provide phone access for inmates. The intended result of this system will be to allow staff to allocate time to other duties, prevent phone harassment, provide timely and accurate records of outgoing calls, and generate revenue to be used for inmate related purchases and programming.

3. PROJECT LIMITS.

Ramsey County Budget Constraints do not apply to this RFP due to the revenue generation expected as a result of this RFP.

PLEASE PRINT (IN INK) OR TYPE THE FOLLOWING

ABH DISCOUNT 0 % 30 DAYS 30 Day cash discount will be deducted to determine the low offer. Discount terms of 30 or more days will not affect the award.	COMPANY Value-Added Communications, Inc.	
	NAME AND TITLE Stephen L. Hodge, President	
I NUMBER 9-3617386 Number is that number which is signed to companies for use in filing the "Employer's Quarterly Federal Tax Return." Treasury Department Form 941 an individual's Social Security number.	ADDRESS 820 Jupiter Road, Suite 103	PHONE NO. (214) 578-1160
	CITY Plano	STATE Texas
	ZIP 75074	FAX NO. (214) 881-7376
SIGNATURE  The signer has read and understands the terms and conditions on the reverse side of this document and will comply with all requirements set forth by the City of Saint Paul and the County of Ramsey.		800 NO. (800) 777-9759

110/1001

TO 9/12148817376

FROM 612 266 8919 04-26-93 02:53PM

RFP NUMBER A6843-8 - CONTINUED

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INMATE PHONE SYSTEM

DEPARTMENT OF COMMUNITY CORRECTIONS

OPENING DATE: APRIL 28, 1993 - PROCUREMENT SPECIALIST: BRUCE THOMPSON

B. VALID PROPOSALS**1. PROPOSAL CONTENTS.**

The following information **MUST** accompany your proposal and all copies. Omission of any section of the required information may be cause for disqualification of the proposal.

All proposers are instructed to provide detailed, typewritten, responses to each of the following subsections on separate pages. Include the subsection number prior to the response.

All are instructed to submit **ONE (1) ORIGINAL response and SEVEN (7) complete copies of their responses.** The original should be separate and clearly marked "ORIGINAL". The copies may be bundled together and sealed.

1A. Provide a background description of your company including at minimum the following:

- Number of years your company has been in business.
- Number of years your company has provided coinless collect only phone system.
- What is your company's annual revenue.
- Name, address, phone and title of your company representative handling the County account.
- Has your company ever been requested to remove a system from an inmate facility. If so, please explain the circumstances.

1B. Provide a list of all the sites in which you have installed a collect only phone system. For the FIVE (5) largest systems, provide the following: customer name, address, contact name and phone number, size of system (number of phones).

1C. Provide copies of all vendor contracts/documents which the County will be required to sign in the event a contract is entered into with your firm.

1D. Provide complete description of all hardware and software associated with the collect only system. Information should include: description of the telephones proposed, the computerized system, and other associated items.

1E. Provide a detailed description of how the proposed system will operate; i.e., how an inmate would use the system.

- * 1F. Indicate the commission percentage based on GROSS Receipts returned monthly to the County.**
Gross receipts are defined as the gross amount billed to the collect call receivers, prior to deductions for line charges, message units and other telephone charges, etc. Rates for long distance call must be equal to or less than standard operator assisted long distance rates charged by AT&T, including time of day discounts and holidays.



COMPANY